UtahAmerican Energy, Inc.

Lila Canyon Project

P. O. Box 986, Price, Utah 84501

Phone: (435) 888-4000 Fax: (435) 888-4002

JAN 2 2 2007

DIV. OF OIL, GAS & MINING HAND DELIVERED

January 22, 2007

Ms. Pamela Grubaugh-Littig Utah Division of Oil, Gas and Mining 1594 West North Temple Salt Lake City, Utah 84114

Response to Lists 1 and 2, January 19, 2007, Request for Modification of Mining and Reclamation RE: Plan ("MRP"), Lila Canyon Extension, Horse Canyon Mine, C/007/013, Submittal "06018"

Dear Ms. Littig:

Enclosed in response to Director Baza's letter dated January 19, 2007, is the following information:

- Hydrology (List 1 All); (1)
- (2) Engineering (List 2, R645-301-521.140);
- Biology/Cultural Historic Resources (List 2, R645-300-124.300); (3)
- (4) Geology (List 2, R645-301-722); and
- (5) Hydrology (List 2 - All).

We have enclosed 5 clean copies of this information to update the MRP, three red-lined copies, a compact disc and a pdf file.

The ownership and control information requested on List 1 is currently on file at Appendix 1-2 of the MRP. The remaining issues listed on the modification will be addressed by January 30, 2007. We understand that UEI cannot respond to the items on "List 3" until the Division notifies UEI that the application is approved.

We appreciate your assistance in this matter.

Very truly yours,

Markall

JM:jmc:428217 Enclosures

Director John Baza John Harja, Esq. Steven Alder, Esq. Michael McKown, Esq. John Jevicky, Esq. Denise Dragoo, Esq.

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APPLICATION FOR COAL PERMIT PROCESSING

Permit Change New Permit Renewal Exploration Bond Release Transfer Transfer				
Permittee: UtahAmerican Energy, Inc.				
Mine: Horse Canyon Mine	Permit Number: ACT/007/013			
Title:				
Description, Include reason for application and timing required	to implement:			
Submittal 06018				
Instructions: If you answer yes to any of the first eight (gray) questions, this application may require Public Notice publication.				
Yes No 1. Change in the size of the Permit Area?	Acres: Disturbed Area:			
Yes \boxtimes No 2. Is the application submitted as a result of	of a Division Order? DO#			
Yes No 3. Does the application include operations	outside a previously identified Cumulative Hydrologic Impact Area?			
Yes No 4. Does the application include operations	in hydrologic basins other than as currently approved?			
	ation, reduction or increase of insurance or reclamation bond?			
Yes \boxtimes No 6. Does the application require or include				
	ownership, control, right-of-entry, or compliance information?			
	public road or cemetery or 300 feet of an occupied dwelling?			
Yes No 9. Is the application submitted as a result of				
Yes \boxtimes No 10. Is the application submitted as a result of Explain:				
Yes No 11. Does the application affect the surface 1	landowner or change the post mining land use?			
	underground design or mine sequence and timing? (Modification of R2P2)			
Yes No 13. Does the application require or include	collection and reporting of any baseline information?			
Yes No 14. Could the application have any effect of	n wildlife or vegetation outside the current disturbed area?			
Yes No 15. Does the application require or include	vegetation monitoring, removal or revegetation activities?			
Yes No 16. Does the application require or include Yes No 17. Does the application require or include	construction, modification, or removal of surface facilities?			
Yes \boxtimes No 18. Does the application require or include	water monitoring, sediment or drainage control measures?			
Yes No 19. Does the application require or include	certified designs mans or calculation?			
Yes No 20. Does the application require or include				
Yes No 21. Have reclamation costs for bonding bee				
Yes No 22. Does the application involve a perennia	Il stream, a stream buffer zone or discharges to a stream?			
Yes No 23. Does the application affect permits issu	ed by other agencies or permits issued to other entities?			
Please attach four (4) review copies of the application. If the mine is on or adjacent to Forest Service land please submit five (5) copies, thank you. (These numbers include a copy for the Price Field Office)				
I hereby certify that I am a responsible official of the applicant and that the and belief in all respects with the laws of Utah in reference to commitments.	information contained in this application is true and correct to the best of my information undertakings, and obligations, herein.			
Jay Marshall Asy Mauhyll Print Name	Sign Name, Position, Date			
Subscribed and sworn to before me this day of January	. 2007			
subscribed and swell to before the this to day of gardeny	·i			
Notary Public College				
My commission Expires: 20 10	.}			
Attest: State of Utah	1			
County of Salt JULIE G. MCKENZIE				
15 W. South Temple, Ste 1200				
Salt Lake City, Utah 84101 My Commission Expires				
October 19, 2010				
STATE OF UTAH				

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Application for Permit Processing Detailed Schedule of Changes to the MRP

Deficiency Task 06-018

Permit Number: ACT/007/013

Mine: Horse Canyon

Permittee: UtahAmerican Energy, Inc.

Provide a detailed listing of all changes to the mining and reclamation plan which will be required as a result of this proposed permit application. Individually list all maps and drawings which are to be added, replaced, or removed from the plan. Include changes of the table of contents, section of the plan, pages, or other information as needed to specifically locate, identify and revise the existing mining and reclamation plan. Include page, section and drawing numbers as part of the description.

			DESCRIPTION OF MAP, TEXT, OR MATERIALS TO BE CHANGED
□ ADD	□ REPLACE	□ REMOVE	Plate 5-2
□ ADD	□ REPLACE	□ REMOVE	Appendix 6-1 Pages 30, 32, 34
□ ADD	□ REPLACE	□ REMOVE	Plate 6-1
□ ADD	□ REPLACE	□ REMOVE	Chapter 7 Text Pages:: ALL
□ ADD	□ REPLACE	□ REMOVE	Chapter 7 Figure 7-1 at the end of Chapter 7 Text
□ ADD	□ REPLACE	□ REMOVE	Appendix 7-3 Text:: Cover page, Pages 3, 5, 7, 11-21.
□ ADD	□ REPLACE	□ REMOVE	Appendix 7-9 All Text, Keep Photos and Calculations.
□ ADD	□ REPLACE	□ REMOVE	Appendix 7-10 Page 1-3
□ ADD	□ REPLACE	□ REMOVE	Plate 7-1
□ ADD	□ REPLACE	□ REMOVE	Plate 7-3
□ ADD	□ REPLACE	□ REMOVE	
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